



Michael O. Leavitt
Governor
David T. Terry
Director

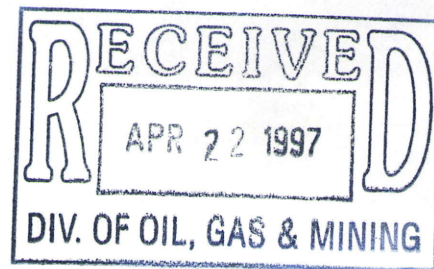
State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)

S/055/006

0002



April 21, 1997

Tony Gallegos, Reclamation Engineer
Division of Oil, Gas & Mining
1594 W. North Temple, Suite 1210
Salt Lake City, UT 84114

BUILDING MAIL

RE: Dick Shumway, Notice of Intent, Clay Lease ML 44815

Dear Tony,

Enclosed please find a copy of the Notice of Intent I recently received from Dick Shumway to commence mining of carbonaceous shale from lands near the abandoned Atlas-Dirty Devil, Factory Butte, Surface Coal-Mine, in Section 2, T27S, R9E, Wayne County. Mr. Shumway, d.b.a. Sunray Mineral Products, is acquiring title to Clay Lease ML 44815, giving him the right to mine substances which may be classified as carbonaceous shale or clay from this property.

The enclosed Notice of Intent should be incorporated with your project file S/055/006. Please notify Mr. Shumway, and me, if you have any questions or require any additional notification regarding this project. The Trust Lands Administration holds a \$5,000 bond for reclamation.

Sincerely,

John T. Blake
Mineral Resources Specialist

cc: Dick Shumway



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April 21, 1997

Dick Shumway
Sunray Mineral Products
1810 Shumway Lane
Moab, UT 84532

RE: ML 44815 Clay

Dear Mr. Shumway,

Thank you for your Notice of Intent to commence mining of lignitic or carbonaceous shale under the above numbered Clay Lease. The following additional information and items regarding your proposed mining operation are hereby requested by the Trust Lands Administration and will be held in confidential status by the agency if you request.

1. The estimated gross value or selling price of the leased substances which will be produced;
2. Estimated, greatest quantity of leased substances to be extracted during a three month period.
3. What is the location of the crushing or processing plant.
4. At what point and where will the leases substances which are mined be weighed.
5. What seed mixture, concentration and method of application will be used in re-seeding.
6. Please provide me with a map or diagram, drawn to scale, showing the location of proposed mining activities with respect to the existing surface coal-mine pit. I am particularly interested in seeing exactly where you will be mining with respect to the reclaimed slopes of the old pit.

The State of Utah experienced considerable expense in reclaiming and stabilizing the abandoned Factory Butte, Atlas-Dirty Devil, Surface Coal Mine several years ago. The reclaimed areas of the old coal-mine site remain extremely sensitive to erosion. Sunray Mineral products shall be held liable for any disturbances which its mining activities may cause to the reclaimed areas of the old coal-mine site. If the activities of Sunray Mineral Products cause any erosion of the reclaimed areas of the old coal-mine, or cause any drainage of water into the old coal-mine, then you must immediately take whatever action may be necessary to mitigate such damages.

Please contact me if you have any questions or require clarification regarding the additional information requested herein.

Sincerely,

John T. Blake
Mineral Resources Specialist

cc: Tony Gallegos